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AF/3622

# IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:   Wayne M. Kennard

Serial No.:         09/721,869

Filing Date:      11/24/2000

For:             SYSTEM AND METHOD FOR REDEMPTION OF AWARDS BY AWARD PROGRAM PARTICIPANTS

Examiner:       D. Champagne

Group Art Unit:   3622

## APPEAL BRIEF UNDER 37 C.F.R. §1.192

Mail Stop Appeal Brief – Patents
Commissioner for Patents
P.O. Box 1440
Alexandria, VA 22313-1450

SIR:

This is an Appeal Brief pursuant to the Notice of Appeal filed December 20, 2004, appealing the rejection of claims 1-10 in the Office Action dates August 18, 2004. This Brief is filed in triplicate.

### I.    Party In Interest

Appellant Wayne M. Kennard is the owner of the entire right, title, and interest in and to the above-identified application.

### II.    Related Appeals and Interferences

The Appellant is not aware of the pending appeals or interferences that would directly affect, be directly affected by, or have a bearing on the Board's decision in this Appeal.

### III.    Status of the Claims

Original claims 1-10 are pending in the present application. Claims 1-10 have been twice rejected under 35 U.S.C. §103 in light of Patent Application No. US

1

Express Mail No.: ED025117138US

2002/0065723 to Anderson et al. ("Anderson application") published on May 30, 2002. The rejection to claims 1-10 is appealed.

## IV.     Status of Amendments

Claims 1-10 are pending in the present application and these claims have not been amended.

Claims 1-4 and 6-9 were first rejected in the Office Action dated February 25, 2004. In the Reply filed May 24, 2004, Appellant did not amend the claims but pointed out where the Examiner had improperly relied on the Anderson application. The Examiner issued a second Office Action dated August 18, 2004. Appellant filed a Reply on December 19, 2004 in which Appellant addressed each of the Examiner's basis for rejecting claims 1-10 without amendment to the claims.

## V.     Summary of the Claimed Subject Matter

The present invention is directed to a novel system and method for award program participants to redeem an award. According to the present invention, award program participants may redeem mileage awards when the participant's accumulated award mile total is less than the required number of award miles necessary to redeem a set or posted award. Of the pending claims, claims 1 and 6 are independent claims and claims 2-5 and 7-10 are dependent claims. Claim 2-5 depend from claim 1 and claims 7-10 depend from claim 6.

Method claim 1 recites six method steps for carrying out the invention. According to claim 1, the computer-based method for maximizing redemption award units in an award program includes (1) storing in a storage device a predetermined award unit level for which the award program will issue an award program participant an award (Page 8, line 28-page 9, line 9); (2) storing in the storage device a shortfall percentage (Page 10, lines 22-31); (3) each award program participant accumulates a number of award units earned by performing acts under the award program for which a certain number of award units are awarded (Page 8, lines 1-15); (4) inputting to the system the number of award units accumulated by an award program participant (Page 8, lines 1-15); (5) storing separately in the storage device for each award program participant the number of accumulated award units (Page 8, lines 1-15); and (6) redeeming an award program

2

award by (i) retrieving from the storage device an award unit level for which a participant may redeem accumulated award units to receive a particular award (Page 8, line 28-page 9, line 9); (ii) retrieving from the storage device the accumulated award unit total for an award program participant requesting to redeem an award (Page 9, lines 5-9); (iii) comparing the retrieved award unit level with the retrieved accumulated award unit total for the award program participant requesting to redeem the award and determining if the retrieved accumulated award unit total is less than the retrieved award unit level, and if the retrieved accumulated award unit total is less than the retrieved award unit level then continue with the method of redemption (Page 9, line 10-page 10, line 21); (iv) determining if the retrieved accumulated award unit total is equal to, or greater than, the shortfall percentage multiplied by the retrieved award unit level, and if the retrieved accumulated award unit level total is equal to, or greater than, the product of the accumulated award unit total multiplied by the award unit level then continue with the method of redemption (Page 10, lines 22-31; Page 11, lines 7-27); (v) determining the number of award units that the retrieved accumulated award unit total is less than the award unit level (Page 11, lines 7-13); (vi) multiplying the number of award units that the accumulated award unit total is less than the award unit level by a multiplication factor and determining a monetary amount (Page 11, lines 7-13); and (vii) redeeming the award based on the redemption of the retrieved accumulated award unit total with the monetary amount (Page 11, line 28-Page 12, line 3).

Claims 2-5 add further limitations to claim 1. Claim 2 recites that the multiplication factor is the same for each retrieved accumulated award unit total that is less than the predetermined award unit level. Claim 3 recites that the multiplication factor is different for at least two of the retrieved accumulated award unit total that are less than the predetermined award unit level. Claim 4 recites that the multiplication factor is weighted based on the number of award units that the retrieved accumulated award unit total is less than the predetermined award unit level. Claim 5 recites that the multiplication factor is selected by chance.

Method claim 6 recites six method steps for carrying out the invention. According to claim 6, the computer-based method for maximizing redemption award units in an award program includes (1) storing in a storage device a predetermined award unit level

3

for which the award program will issue an award program participant an award (Page 8, line 28-page 9, line 9); (2) storing in the storage device a shortfall percentage (Page 10, lines 22-31); (3) each award program participant accumulates a number of award units earned by performing acts under the award program for which a certain number of award units are awarded (Page 8, lines 1-15); (4) inputting to the system the number of award units accumulated by an award program participant (Page 8, lines 1-15); (5) storing separately in the storage device for each award program participant the number of accumulated award units (Page 8, lines 1-15); and (6) redeeming an award program award by (i) retrieving from the storage device an award unit level for which a participant may redeem accumulated award units to receive a particular award (Page 8, line 28-page 9, line 9); (ii) retrieving from the storage device the accumulated award unit total for an award program participant requesting to redeem an award (Page 9, lines 5-9); (iii) comparing the retrieved award unit level with the retrieved accumulated award unit total for the award program participant requesting to redeem the award and determining if the retrieved accumulated award unit total is less than the retrieved award unit level, and if the retrieved accumulated award unit total is less than the retrieved award unit level then continue with the method of redemption, and if the retrieved accumulated award unit total is equal to, or greater than, the retrieved award unit level then redeeming an award and storing the number of accumulated award units less the amount of accumulated award units redeemed (Page 9, line 10-page 10, line 21; Page 12, line 7-page 13, line 22); (iv) determining if the retrieved accumulated award unit total is equal to, or greater than, the shortfall percentage multiplied by the retrieved award unit level, and if the retrieved accumulated award unit level total is equal to, or greater than, the product of the accumulated award unit total multiplied by the award unit level then continue with the method of redemption, and if the accumulated award unit total is less than the product of the retrieved accumulated award unit total multiplied by the award unit level then restore the retrieved accumulated award unit total in the storage device (Page 10, lines 22-31; Page 11, lines 7-27; Page 12, line 25- page 13, line 22); (v) determining the number of award units that the retrieved accumulated award unit total is less than the award unit level (Page 11, lines 7-13; Page 13, lines 4-10); (vi) multiplying the number of award units that the accumulated award unit total is less than the award unit level by a

4

multiplication factor and determining a monetary amount (Page 11, lines 7-13; Page 13, lines 22-30); (vii) redeeming the award based on the redemption of the retrieved accumulated award unit total with the monetary amount (Page 11, line 28-page 12, line 3; Page 14, lines 15-22); and (viii) redeeming an award based on the redemption of the amount of the retrieved accumulated award unit total equal to the award unit level and storing the number of accumulated award units less the amount of accumulated award units redeemed (Page 12, line 7-page 14, line 22).

Claims 7-10 add further limitations to claim 6. Claim 7 recites that the multiplication factor is the same for each retrieved accumulated award unit total that is less than the predetermined award unit level. Claim 8 recites that the multiplication factor is different for at least two of the retrieved accumulated award unit total that are less than the predetermined award unit level. Claim 9 recites that the multiplication factor is weighted based on the number of award units that the retrieved accumulated award unit total is less than the predetermined award unit level. Claim 10 recites that the multiplication factor is selected by chance.

A significant aspect of the present invention is not that it determines a shortfall in accumulated award units but that it determines if the shortfall is within a certain range and then provides a method for redemption of an award under those circumstances in a truly novel way.

## VI. Grounds of Rejection to be Reviewed on Appeal

Claims 1-10 were first rejected in the Office Action dated February 24, 2004. In that Office Action, the Examiner rejected claims 1-10 on the following basses:

A. Claims 1-4 and 6-9 under 35 U.S.C. §102(e) as being anticipated by or, in the alternative, under 35 U.S.C. §103(a) as obvious over the Anderson application.

B. Claims 5 and 10 under 35 U.S.C. §103(a) as obvious over the Anderson application.

The Examiner issued a second rejection of claims 1-10 in the Office Action dated August 18, 2004. In that Office Action, the Examiner rejected claims 1-10 on the following basis:

5

A. Claims 1-10 under 35 U.S.C. §103(a) as obvious over the Anderson application.

Appellant requests that the Board review on appeal and overturn the Examiner's basis of rejection set forth in the Office Action dated August 18, 2004.

A copy of claims 1-10 is set forth on Attachment A. For the Board's convenience, a copy of the February 24, 2004 Office Action is attached as Attachment B, Appellant's May 24, 2004 Reply is attached as Attachment C, the August 18, 2004 Office Action is attached as Attachment D, and Appellant's December 18, 2004 Reply is attached as Attachment E.

## VII. Issue

Appellant, contrary to the contentions of the Examiner, submits that claims 1-10 are non-obvious in view of the Anderson application.

## VIII. Grouping of Claims

Claims 1-10 are presented on appeal and the respective claims do not stand or fall together. Each of the claims recites a distinct set of method steps that is separately patentable from the other claims.

## IX. Argument: Claims 1-10 are Not Rendered Obvious by the Anderson Application

The Examiner has rejected claims 1-10 under 35 U.S.C. §103(a) as obvious over the Anderson application. The legal standard for a finding of obviousness based on a single reference is that there must be a showing of a suggestion or motivation to modify the teachings of the reference to demonstrate the claimed invention. *B.F. Goodrich Company v. Aircraft Breaking Sys. Corp.,* 72 F3d 1577, 1582 (Fed. Cir. 1996). Appellant submits that the Anderson application does not meet this standard.

In rejecting claims 1-10 based on the Anderson application, the Examiner stated the following at numbered section 4 of the August 18, 2004 Office Action:

> Anderson et al. teaches (independent claims 1 and 6) a computer-based method for maximizing redemption award units in an award program (para. [0026], comprising the steps of: (a) storing in the storage device (store 140) at least one predetermined award unit (para. [0019]: storing in the storage device a shortfall amount (*the number of points needed,*

6

(bottom of para. [0027])); (c) each program participant being permitted to accumulate a number of award units earned by performing acts for which predetermined numbers of award units will be awarded, and (d) inputting (*updates the award account*) the number of award units earned in step (c) [0020], said storing being in *a plurality of online accounts* [0005], which reads on (e) storing separately; (f) redeeming an award program award [0026], including the substeps of: (1) retrieving a predetermined award unit level to receive a particular award (*retrieves conditions to receive awards*); (2) retrieving the accumulated award unit total (*point balances*); (3, 4 and 6 [there is no substep 5]) determining a number of award units that the accumulated award unit total is less than the predetermined award level (*the number of points needed,* [0027]); (7 and 8) determining the received amount of *AwardPoints*, which reads on a monetary amount (a *generic, convertible* currency (para. [0037] and Merriam-Webster's Online Dictionary)), and redeeming the award by paying this monetary amount [0031]. Anderson et al. teaches the 'multiplication factor" (substep 7) as a *ratio* used to combine *several types of award points* and convert them to them to *AwardPoints* (para. [0031], [0053] and [0054].

The present invention differs substantially from the Anderson application because the Anderson application just recognizes a shortfall and does nothing with the shortfall. The present invention recognizes a shortfall and then provides a novel system and method for effecting a way for the user to use accumulated miles and the purchase of additional miles according to a novel method so that the user is able to redeem an award from the benefits award program without having the required miles.

At page 10, lines 22-26, the method of selectively determining a shortfall according to the present invention is stated:

> At 227 [Figure 2], the method of the present invention will determine whether the accumulated award miles total falls within a predetermined percentage range of the required award mileage. This percentage may be selected by the airline or entity administering the mileage award program. For example, such an entity may select the percentage range to be from 95% to 100%-1 of the required award mileage. Alternatively, the method may not state this requirement as a percentage range but as the need for the accumulated award miles to be greater than, or equal to, 95% of the required number [of] award miles.

At page 11 at lines 1-13 of the specification, Appellant provides an example of the method of the present invention. There, the present application states:[1]

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[1] Among other things, the system and method of the Anderson application does not make a selection of a percentage upon which to apply the award program incentive as set forth for a disclosed embodiment

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At 231 [Figure 2], it is determined if there is a single or multiple redemption, it is determined if this is a single or multiple award redemption, the method will proceed to 235. At 235, the method will save the unused accumulated award miles in the appropriate database. Following the saving of these award miles, the method will proceed to End 240. However, if the accumulated award miles is within the selected percentage range, or is equal to, or greater than, the selected percentage, the method will go to 230.

If the shortfall is within the selected percentage, the Anderson application does not in any way apply a variety on methods for making up for the mileage shortfall for award issuance. For example, the following method is performed according to an embodiment of the present application (page 11, lines 7-27)

At 230 [Figure 2], the method of the present invention will determine the number of award miles that constitute the mileage shortfall. This may be done, for example, by subtracting the accumulated award miles from the required award miles. This numbered of shortfall miles is multiplied by a multiplication factor at 232 [Figure 2]. This multiplication factor may be fixed for each of the shortfall miles. For example, if the award shortfall is 150 miles, the multiplication factor may be $0.50/mile, so the amount to purchase the shortfall miles would be $80.00.

The method may also use a weighting system to determine the amount that will have to be paid to compensate for the mileage shortfall. For example, if the percentage range or the amount in excess of a predetermined percentage equals 500 miles, the weighting system multiplication factors could be $0.50 for 449-500 shortfall miles; $0.47 for 401-450 shortfall miles; $0.44 for 349-400 shortfall miles; $0.41 for 350-399 shortfall miles; $0.38 for 300-349 shortfall miles; $0.35 for 250-299 shortfall miles; $0.32 for 200-249 shortfall miles; $0.29 for 150-199 shortfall miles; $0.26 for 100-149 shortfall miles, and $0.23 for 50-99 shortfall miles, and $0.20 for 1-49 shortfall miles.

The Anderson application does not render obvious any of the claims of the present application under the standard cited above for a supportable rejection for obviousness. For example, the Anderson application does not understand or appreciate the present application's method of using the shortfall miles to generate novel methods to

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of the present application. Moreover, the Anderson application does not then determine if the award mileage shortfall is within that percentage.

8

redeem awards to which the user would ordinarily not be entitled. Accordingly, Appellant has overcome the Examiner's obvious rejection of claims 1 and 6. Therefore, claims 1 and 6 are patentable over the Anderson application.

The Examiner cited para. [0037] a disclosing the method steps (f)(7) and (8) of claim 1 and elements (f)(7) and (8) of claim 6. Applicant submits that the Examiner misreads and misapplies what is provided in para. [0037] in rejecting claims 1 and 6 for obviousness.

The Anderson application at para. [0037] states the following:

> [0037] Any AwardTrack affiliate can benefit from using AwardPoints of the present invention to its customers. AwardPoints are generic, convertible currency that can either be redeemed against a wide variety of merchandise, or converted into any of several participating airline programs....

The quotation immediately above makes plain that AwardPoints may be used with a variety of programs. The use of the term "genetic convertible currency" in the context of the para. [0037] is to indicate that within the various systems, an AwardPoints unit would have value for redemption of awards. This is not what Appellant is covering in the scope of claims 1 and 6. According to what is set forth at para. [0037], in converting the AwardPoints following the "genetic convertible currency" theory, each converted unit would have a single value in the new system. This does not render obvious claims 1 and 6 in which the purchase of shortfall miles may take on a variety of values. (See earlier quotations from pages 10 and 11 of the present application).

Further, para. [0037] fails to have any appreciation for redeeming an award based on having a shortfall, for example, of award miles and then purchasing the shortfall of miles according to the novel and non-obvious method according to the present invention. In his citation to the Anderson application, the Examiner has not in any way shown the novel and non-obvious combination of the claims of the present invention in order to redeem an award. Accordingly, Appellant has overcomes the Examiner's bases for rejecting independent claims 1 and 6 for obviousness based on the Anderson application, thereby demonstrating that claims 1 and 6 are patentable over the Anderson application.

9

Claims 2-5 and 6-10 depend from claims 1 and 6, respectively. These dependent claims add further limitation to these independent claims. Since claims 1 and 6 are not rendered obvious by the Anderson application, then claims 2-5 and 7-10 are not obvious in light of the Anderson application for the same reasons.
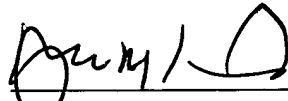
Noting the foregoing, Appellant respectfully requests that the obvious rejection based on the Anderson application be withdrawn as it has been applied to claims 1-10.

## X.    Conclusion

In the foregoing, Appellant has clearly traversed the Examiner's basis for rejecting claims 1-10 under 35 U.S.C. §103(a) as obvious over the Anderson application. Accordingly, Appellant respectfully requests that the Board reverse the outstanding obviousness rejection and remand the application to the Examiner and direct that the application be sent to issue.

Respectfully submitted,

Dated: February *16*, 2005

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Express Mail No.: ED025117138US
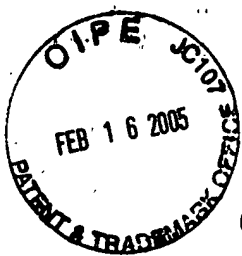
## Claims:

1. (Original)   A computer-based method for maximizing redemption award units in an award program, the method for implementation in a system that includes at least a central processing unit ("CPU"), an input/display device under at least partial CPU control, and a storage device at least under partial CPU control, the method comprising the steps of:

(a)    storing in the storage device at least one predetermined award unit level for which the award program will issue an award program participant an award;

(b)    storing in the storage device a shortfall percentage;

(c)    each award program participant being permitted to accumulate a number award units earned by performing acts under the award program for which predetermined numbers of award units will be awarded;

(d)    inputting with the input/display device into the system the number of award units accumulated at step (c) for each award program participant;

(e)    storing separately in the storage device for each of the award program participants the number of accumulated award units input at step (d);

(f)    redeeming an award program award including the substeps of,

(1)    retrieving from the storage device a predetermined award unit level for which a participant may redeem accumulated award units to receive a particular award;

(2)    retrieving from the storage device the accumulated award unit total for an award program participant requesting to redeem an award according to the predetermined award unit level stored in the storage device at step (a);

(3)    comparing under CPU control the retrieved predetermined award unit level with the retrieved accumulated award unit total for an award program participant requesting to redeem the award, and determining if the retrieved accumulated award unit total is less than the retrieved predetermined award unit level, and if retrieved accumulated award unit total is less than retrieved predetermined award unit level go to substep (f)(4);

(4)    determining under CPU control if the retrieved accumulated award unit total is equal to, or greater than the shortfall percentage multiplied by the retrieved

1

predetermined award unit level, and if retrieved accumulated award unit to is equal to, or greater than, the product of the retrieved accumulated award unit total multiplied by the predetermined award unit total go to step (f)(6);

(6)     determine under CPU control a number of award units that the retrieved accumulated award unit total is less than the predetermined award unit level;

(7)     under CPU control multiplying the number of award units that the retrieved accumulated award unit total is less than the predetermined award unit level by a multiplication factor and determining a monetary amount; and

(8)     redeeming an award based on a redemption of the retrieved accumulated award unit total with the monetary amount determined a substep (f)(7).

2. (Original)   The method as recited in claim 1, wherein the multiplication factor is the same for each retrieved accumulated award unit total that is less than the predetermined  award unit level.

3. (Original)   The method as recited in claim 1, wherein the multiplication factor is different for at least two of the retrieved accumulated award unit total that are less than the predetermined award unit level.

4. (Original)   The method as recited in claim 1, wherein the multiplication factor is weighted based on the number of award units that the retrieved accumulated award unit total that is less than the predetermined award level.

5. (Original)   The method as recited in claim 1, wherein the multiplication factor is selected by chance.

6. (Original)   A computer-based method for maximizing redemption award units in an award program, the method for implementation in a system that includes at least a central processing unit ("CPU"), an input/display device under at least partial CPU control, and a storage device at least under partial CPU control, the method comprising the steps of:

(a)     storing in the storage device at least one predetermined award unit level for which the award program will issue an award program participant an award;

(b)     storing in the storage device a shortfall percentage;

2

(c)    each award program participant being permitted to accumulate a number award units earned by performing acts under the award program for which predetermined numbers of award units will be awarded;

(d)    inputting with the input/display device into the system the number of award units accumulated at step (c) for each award program participant;

(e)    storing separately in the storage device for each of the award program participants the number of accumulated award units input at step (d);

(f)    redeeming an award program award including the substeps of,

(1)    retrieving from the storage device a predetermined award unit level for which a participant may redeem accumulated award units to receive a particular award;

(2)    retrieving from the storage device the accumulated award unit total for an award program participant requesting to redeem an award according to the predetermined award unit level stored in the storage device at step (a);

(3)    comparing under CPU control the retrieved predetermined award unit level with the retrieved accumulated award unit total for an award program participant requesting to redeem the award, and determining if the retrieved accumulated award unit total is less than the retrieved predetermined award unit level, and if the retrieved accumulated award unit total is less than retrieved predetermined award unit level go to substep (f)(4) and if the retrieved accumulated award unit total equal to, or greater than, retrieved predetermined award unit level go to step (f)(9);

(4)    determining under CPU control if the retrieved accumulated award unit total is equal to, or greater than, the shortfall percentage multiplied by the retrieved predetermined award unit level, and if retrieved accumulated award unit to is equal to, or greater than, the product of the retrieved accumulated award unit total multiplied by the predetermined award unit total go to step (f)(6) and if it is less than the product of the retrieved accumulated award total multiplied by the predetermined award unit level if go to restoring the retrieved accumulated award unit total in the storage device;

(6)    determine under CPU control a number of award units that the retrieved accumulated award unit total is less than the predetermined award unit level;

(7)     under CPU control multiplying the number of award units that the retrieved accumulated award unit total is less than the predetermined award unit level by a multiplication factor and determining a monetary amount;

(8)     redeeming an award based on a redemption of the retrieved accumulated award unit total with the monetary amount determined a substep (f)(7); and

(9)     redeeming an award based on the redemption of the retrieved accumulated award unit total equal to the predetermined award unit level, and under CPU control storing in the storage device a number of accumulated award units less the amount of the accumulated award units redeemed.

7. (Original)   The method as recited in claim 6, wherein the multiplication factor is the same for each retrieved accumulated award unit total that is less than the predetermined  award unit level.

8. (Original)   The method as recited in claim 6, wherein the multiplication factor is different for at least two of the retrieved accumulated award unit total that are less than the predetermined award unit level.

9. (Original)   The method as recited in claim 6, wherein the multiplication factor is weighted based on the number of award units that the retrieved accumulated award unit total that is less than the predetermined award level.

10. (Original)  The method as recited in claim 6, wherein the multiplication factor is selected by chance.

4

# UNITED STATES PATENT AND TRADEMARK OFFICE

| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|---|---|---|---|---|
| 09/721,869 | 11/24/2000 | Wayne Mariner Kennard | KEN-1 | 4066 |

7590    02/24/2004

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| EXAMINER |
|---|
| CHAMPAGNE, DONALD |

| ART UNIT | PAPER NUMBER |
|---|---|
| 3622 | |

DATE MAILED: 02/24/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE _3_ MONTH(S) FROM
THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed
  after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
  Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any
  earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

1) ☒ Responsive to communication(s) filed on _11 March 2003_.
2a) ☐ This action is **FINAL**.           2b) ☒ This action is non-final.
3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is
   closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

4) ☒ Claim(s) _1-10_ is/are pending in the application.
   4a) Of the above claim(s) _____ is/are withdrawn from consideration.
5) ☐ Claim(s) _____ is/are allowed.
6) ☒ Claim(s) _1-10_ is/are rejected.
7) ☐ Claim(s) _____ is/are objected to.
8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

**Application Papers**

9) ☐ The specification is objected to by the Examiner.
10) ☒ The drawing(s) filed on _24 November 2000_ is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
    a) ☐ All   b) ☐ Some * c) ☐ None of:
    1. ☐ Certified copies of the priority documents have been received.
    2. ☐ Certified copies of the priority documents have been received in Application No. _____.
    3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage
       application from the International Bureau (PCT Rule 17.2(a)).
    * See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
   Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413)
   Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

## DETAILED ACTION

### Claim Rejections - 35 USC § 102 and 35 USC § 103

1.  The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

2.  The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

3.  <u>Claims 1-4 and 6-9</u> are rejected under 35 U.S.C. 102(e) as being anticipated by or, in the alternative, under 35 U.S.C. 103(a) as obvious over Anderson et al.

4.  <u>Anderson et al. teaches</u> (independent claims 1 and 6) a computer-based method for maximizing redemption award units in an award program (para. [0026]), but <u>Anderson et al. does not explicitly teach</u> a shortfall percentage and <u>storing</u> said shortfall percentage. However, under the principles of inherency (MPEP § 2112.02), since the reference invention necessarily performs the method claimed, the method claimed is considered to be anticipated by the reference invention. As evidence tending to show inherency, it is noted that the reference teaches *the number of points needed* (bottom of para. [0027]), which is the mathematical equivalent of a shortfall percentage. Alternately, <u>because</u> percentages are sometimes more meaningful and convenient to work with than absolute values, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to add to the teachings of Anderson et al. the storage and display of *the number of points needed* as a shortfall percentage.

5. Anderson et al. does teach *AwardPoints* as a *generic, convertible currency* (para. [0037] and Merriam-Webster's Online Dictionary), which reads on determining a monetary amount. The reference also teaches "a multiplication factor" (*ratio*) in order to combine *several types of award points* and convert them to *AwardPoints* (para. [0031], [0053] and [0054]).

6. Anderson et al. also teaches at the citations given above claims 2-4 and 7-9. The multiplication factor (*ratio*) is the same (claims 2 and 7) when dealing with only one type of point. The multiplication factor is different and weighted (claims 3-4 and 8-9) when dealing with at least two types of points.

7. Claims 5 and 10 are rejected under 35 U.S.C. 103(a) as obvious over Anderson et al. Anderson et al. does not teach that the multiplication factor is selected based on chance. Official notice is taken (MPEP § 2144.03) that it was common, at the time of the instant invention, to use chance as a basis for incentive programs. Because there are people especially motivated by games of chance, and the multiplication factor (*ratio*) is a convenient coefficient for introducing chance into the incentive program, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to add to the teachings of Anderson et al. that the multiplication factor is selected based on chance.

## Conclusion

8. **COPY of REFERENCES** - Applicant is entitled to receive a copy of every reference cited by the examiner (except at allowance; MPEP 707.05(a)). Applicant should contact the examiner if a completed form PTO-892 is enclosed, but the cited references are not.

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Donald L Champagne whose telephone number is 703-308-3331. The examiner can normally be reached from 6:30 AM to 5 PM ET, Monday to Thursday. The examiner can also be contacted by e-mail at donald.champagne@uspto.gov, and *informal* fax communications (i.e., communications not to be made of record) may be sent directly to the examiner at 703-746-5536.

10. The examiner's supervisor, Eric Stamber, can be reached on 703-305-8469. The fax phone number for the organization where this application or proceeding is assigned is 703-872-
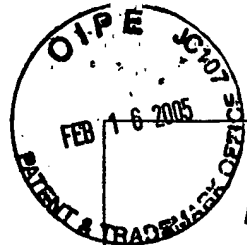
**Notice of References Cited**

| Application/Control No. 09/721,869 | Applicant(s)/Patent Under Reexamination KENNARD, WAYNE MARINER | |
|---|---|---|
| Examiner Donald L. Champagne | Art Unit 3622 | Page 1 of 1 |

## U.S. PATENT DOCUMENTS

| * | | Document Number Country Code-Number-Kind Code | Date MM-YYYY | Name | Classification |
|---|---|---|---|---|---|
| | A | US-2002/0065723 A1 | 05-2002 | Anderson et al. | 705/14 |
| | B | US- | | | |
| | C | US- | | | |
| | D | US- | | | |
| | E | US- | | | |
| | F | US- | | | |
| | G | US- | | | |
| | H | US- | | | |
| | I | US- | | | |
| | J | US- | | | |
| | K | US- | | | |
| | L | US- | | | |
| | M | US- | | | |

## FOREIGN PATENT DOCUMENTS

| * | | Document Number Country Code-Number-Kind Code | Date MM-YYYY | Country | Name | Classification |
|---|---|---|---|---|---|---|
| | N | | | | | |
| | O | | | | | |
| | P | | | | | |
| | Q | | | | | |
| | R | | | | | |
| | S | | | | | |
| | T | | | | | |

## NON-PATENT DOCUMENTS

| * | | Include as applicable: Author, Title Date, Publisher, Edition or Volume, Pertinent Pages) |
|---|---|---|
| | U | Definitions of "money" and "money of account", Merriam Webster's Online Dictionary at http://www.search.eb.com/, 19 February 2004. |
| | V | |
| | W | |
| | X | |

2-19-07

\*A copy of this reference is not being furnished with this Office action. (See MPEP § 707.05(a).)
Dates in MM-YYYY format are publication dates. Classifications may be US or foreign.

# IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:   Wayne M. Kennard

Serial No.          09/721,869

Filing date:        11/24/2000

For:    SYSTEM AND METHOD FOR
        REDEMPTION F AWARDS BY
        AWARD PROGRAM
        PARTICIPANTS

Examiner: D. Champagne

Group Art Unit:     3622

## Reply

Sir:

This is in response to the Office Action dated February 24, 2004.

Claims 1-10 are currently pending in the present application. Applicant ha reviewed the Examiner's response and the bases for rejection of the claims of the application. In view of these bases for rejection, Applicant sets forth the following that traverses these rejections, thereby placing the present application in condition for allowance. Applicant's Remarks/Arguments begin on page 2 f this Reply.

1

## Remarks

### I.    Introduction

In the Office Action dated February 24, 2004, the Examiner rejected pending claims 1-10 for anticipation under 35 U.S.C. §102(e) or in the alternative for obviousness under 35 U.S.C. §103(a) in view of U.S. Patent Application Publication No. 2002/0065723 A1 to Anderson et al. ("the Anderson application"). Applicant will demonstrate that the claims of the present application are not anticipated or obvious in view of the Anderson application. Accordingly, pending clams 1-10 are allowable and Applicant respectfully requests that the anticipation and obviousness rejections based on the Anderson application be withdrawn and the present application be passed to issue.

### II.    Claims 1-10 are Allowable

The numbered section 3 of the Office Action, the Examiner rejected claims 1-4 and 6-9 for anticipation under 35 U.S.C. §102(e) or in the alternative for obviousness under 35 U.S.C. §103(a) in view of the Anderson application. In rejecting claims 1-10 under these bases, the Examiner stated at numbered section 4 the following:

> <u>Anderson et al. teaches</u> independent claims 1 and 6) a computer-based method for maximizing redemption award units in an award program (para. [0026], but Anderson et al. does not explicitly teach a shortfall percentage and storing said shortfall percentage. However, under the principles of inherency (MPEP § 2112.02), since the reference invention necessarily performs the method claimed, the method claimed is considered to be anticipated by the reference invention. As evidence tending to show inherency, it is noted that the reference teaches *the number of points needed* (bottom of par. [0027], which is the mathematical equivalent of a shortfall. Alternatively, *because* percentages are sometimes more meaningful and convenient to work with than absolute values, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to add to the teachings of Anderson et al. the storage and display of *the number of points needed as a shortfall percentage.*

In numbered section 5 at page 3 of the Office Action, the Examiner stated that the Anderson application also teaches the following:

Express Mail No.:EU814019295US

Anderson et al. does teach *AwardPoints* as a *generic, convertible currency* (para. [0037] and Merriam-Webster's Online Dictionary), which reads on determining a monetary amount. The reference also teaches "a multiplication factor" (ratio) in order to combine *several types of award points* and convert them to *AwardPoints* (para. [0031], [0053] and [0054].

In the telephonic interview cited above, Applicant indicated to the Examiner that the above statements regarding Anderson do not teach or render obvious what is set forth in claims 1 and 6 of the present application. First, the Examiner believes that claims 1-4 and 6-9 are directed to clams the identification of a shortfall percentage and then storing the shortfall percentage. The present invention differs substantially from the Anderson application because the Anderson application just recognizes a shortfall and does nothing with the shortfall. The present invention recognizes a shortfall and then provides a novel system and method for completing the shortfall for receiving an award for maximizing the benefits award program.

At page 10, lines 22-26, the method of selectively determining a shortfall is stated:

> At 227 [Figure 2], the method of the present invention will determine whether the accumulated award miles total falls within a predetermined percentage range of the required award mileage. This percentage may be selected by the airline or entity administering the mileage award program. For example, such an entity may select the percentage range to be from 95% to 100%-1 of the required award mileage. Alternatively, the method may not state this requirement as a percentage range but as the need for the accumulated award miles to be greater than, or equal to, 95% of the required number [of] award miles.

At page 11 at lines 1-13 of the specification, Applicant provides an example of the method of the present invention. There the present application states:

> At 231 [Figure 2], it is determined if there is a single or multiple redemption, it is determined if this is a single or multiple award redemption, the method will proceed to 235. At 235, the method will save the unused accumulated award miles in the appropriate database. Following the saving of these award miles, the method will proceed to End 240. However, if the accumulated award miles is within the selected percentage range, or is equal to, or greater than, the selected percentage, the method will go to 230.

Among other things, the system and method of Anderson application does not make a selection of a percentage upon which to apply the award program incentive as set

forth for a disclosed embodiment of the present application. Moreover, the Anderson application doe not then determine if the award mileage shortfall is within that percentage.

If the shortfall is within the selected percentage, the Anderson application does not apply a variety on methods for making p for the mileage shortfall. For example, the following method is performed according to an embodiment of the present application (page 11, lines 7-27)

> At 230 [Figure 2], the method of the present invention will determine the number of award miles that constitute the mileage shortfall. This may be done, for example, by subtracting the accumulated award miles from the required award miles. This numbered of shortfall miles is multiplied by a multiplication factor at 232 [Figure 2]. This multiplication factor may be fixed for each of the shortfall miles. For example, if the award shortfall is 150 miles, the multiplication factor may be $0.50/mile, so the amount to purchase the shortfall miles would be $80.00.

> The method may also use a weighting system to determine the amount that will have to be paid to compensate for the mileage shortfall. For example, if the percentage range or the amount in excess of a predetermined percentage equals 500 miles, the weighting system multiplication factors could be $0.50 for 449-500 shortfall miles; $0.47 for 401-450 shortfall miles; $0.44 for 349-400 shortfall miles; $0.41 for 350-399 shortfall miles; $0.38 for 300-349 shortfall miles; $0.35 for 250-299 shortfall miles; $0.32 for 200-249 shortfall miles; $0.29 for 150-199 shortfall miles; $0.26 for 100-149 shortfall miles, and $0.23 for 50-99 shortfall miles, and $0.20 for 1-49 shortfall miles.

The Anderson application does not anticipate the claims of the present application. For example, the Anderson application does not understand or appreciate the present application's method of using the shortfall miles to generate novel methods to use this shortfall percentage as set forth in the quotations above. Accordingly, Applicant has overcome the Examiner's anticipation rejection of claims 1 and 6, and requests that it be withdrawn.

In numbed section 6, the Examiner has rejected dependent claims 2-4 and 7-9 for anticipation based on the Anderson application. However, Applicant has shown above those independent claims 1 and 6 are not anticipated by this reference. Accordingly, for the same reasons, claims 2-4 and 6-10 that depend from these claims are not anticipated

4

by the Anderson application. Applicant, therefore, requests that this rejection be withdrawn.

Numbered section 7 of the Office Action states that claim 1 and 5 are obvious in view of the Anderson application. Applicant submits that the Anderson application does not render claims 1 and 5 obvious because of the deficiencies pointed out above with regard to traversing the anticipation rejection. Accordingly, the obvious rejection has been traversed and should be withdrawn.
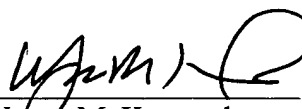
Express Mail No.:EU814019295US

## Conclusion

The present application is new, non-obvious, and useful. The present application is in condition for allowance in light of Applicant traversing each of the Examiner's rejections for anticipation and obviousness. Reconsideration and Allowance of the claims are requested.

Respectfully Submitted,

Dated: May 24, 2004

Wayne M. Kennard
Registration No 30, 271
Attorney/Applicant

28 Partridge Road
Lexington, MA 02421

6

# UNITED STATES PATENT AND TRADEMARK OFFICE

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www.uspto.gov

| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|---|---|---|---|---|
| 09/721,869 | 11/24/2000 | Wayne Mariner Kennard | KEN-1 | 4066 |

7590          08/18/2004

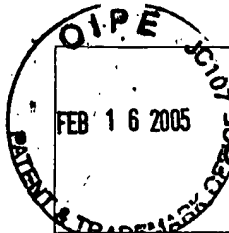Wayne M. Kennard
28 Partridge Road
Lexington, MA  02241

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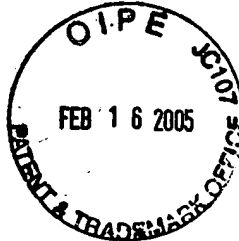
| EXAMINER |
|---|
| CHAMPAGNE, DONALD |

| ART UNIT | PAPER NUMBER |
|---|---|
| 3622 | |

DATE MAILED: 08/18/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

| | Application No. | Applicant(s) |
|---|---|---|
| | 09/721,869 | KENNARD, WAYNE MARINER |
| **Office Action Summary** | Examiner | Art Unit | |
| | Donald L. Champagne | 3622 | UW |

*-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --*

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE _3_ MONTH(S) FROM
THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed
  after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
  Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any
  earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

1)☒ Responsive to communication(s) filed on _24 May 2004_.

2a)☒ This action is **FINAL.**   2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is
closed in accordance with the practice under *Ex parte Quayle,* 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

4)☒ Claim(s) _1-10_ is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) _1-10_ is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

**Application Papers**

9)☐ The specification is objected to by the Examiner.

10)☒ The drawing(s) filed on _24 November 2000_ is/are: a)☒ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All   b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage
application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

1)☐ Notice of References Cited (PTO-892)

2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3)☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.

4)☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.

5)☐ Notice of Informal Patent Application (PTO-152)

6)☐ Other: _____.

## DETAILED ACTION

### *Response to Arguments*

1. Applicant's arguments filed on 24 May 2004 have been fully considered but they are not persuasive. The arguments are addressed be the following rewritten rejection and expressly at para. 6, 7 and 9 below.

### *Claim Rejections - 35 USC § 103*

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

3. <u>Claims 1-10</u> are rejected under 35 U.S.C. 103(a) as obvious over Anderson et al.

4. <u>Anderson et al. teaches</u> (independent claims 1 and 6) a computer-based method for maximizing redemption award units in an award program ([0026]), comprising the steps of: (a) storing in the storage device (*store 140*) at least one predetermined award unit (para. [0019]); (b) storing in the storage device a shortfall amount (*the number of points needed,* (bottom of para. [0027]); (c) each program participant being permitted to accumulate a number of award units earned by performing acts for which predetermined numbers of award units will be awarded, and (d) inputting (*updates the award account*) the number of award units earned in step (c) [0020], said storing being in a *plurality of online accounts* [0005], which reads on (e) storing separately; (f) redeeming an award program award [0026], including the substeps of: (1) retrieving a predetermined award unit level to receive a particular award (*retrieves conditions to receive awards*); (2) retrieving the accumulated award unit total (*point balances*); (3, 4 and 6)[1] determining a number of award units the that the accumulated award unit total is less than the predetermined award unit level (*the number of points needed,* [0027]); (7 and 8) determining the required amount of *AwardPoints*, which reads on a monetary amount (a *generic, convertible currency* (para.

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[1] There is no substep "5".

[0037] and Merriam-Webster's Online Dictionary), and redeeming the award by paying this monetary amount [0031]. Anderson et al. teaches the "multiplication factor" (substep 7) as a *ratio* used to combine *several types of award points* and convert them to *AwardPoints* (para. [0031], [0053] and [0054]).

5. <u>Anderson et al. does not explicitly teach</u> a shortfall <u>percentage</u>. However, the reference does teach *the number of points needed* [0027], which is the absolute shortfall amount. <u>Because</u> percentages are a common and convenient means for summarizing criteria, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to add to the teachings of Anderson et al. that the shortfall amount be expressed, stored and displayed as a shortfall percentage.

6. <u>Applicant argues</u> (p. 3 middle) that the reference does nothing with the shortfall. Revised para. 4 explain in detail what the reference does with the shortfall amount.

7. <u>Applicant argues</u> (p. 3 bottom) that the reference does not make a selection of a percentage upon which to apply the award program incentive. As noted in para 5 above, the reference does teach a criterion as an absolute shortfall amount expressed in points, not as a shortfall percentage.

8. <u>Anderson et al. also teaches</u> at the citations given above claims 2-4 and 7-9. The multiplication factor (*ratio*) is the same (claims 2 and 7) when dealing with only one type of point. The multiplication factor is different and weighted (claims 3-4 and 8-9) when dealing with at least two types of points.

9. <u>Applicant argues</u> (p. 4 top) that the reference does not teach a variety of methods for making up the (mileage) shortfall. That is not correct. The reference teaches that *several types of award points from several loyalty programs may be combined to redeem merchandise*, and that one of these types is the *AwardPoints* monetary unit.

10. <u>Anderson et al. does not teach</u> (claims 5 and 10) that <u>the multiplication factor is selected based on chance</u>. It was common, at the time of the instant invention, to use chance as a basis for incentive programs, and it is obvious to use common practices. Official notice of this common knowledge or well known in the art statement was taken in the last Office action (Paper No. 3, mailed 24 February 2004, para. 7). This statement is taken to be

admitted prior art because applicant either failed to traverse the examiner's assertion of official notice or that the traverse was inadequate. (MPEP 2144.03.C.)
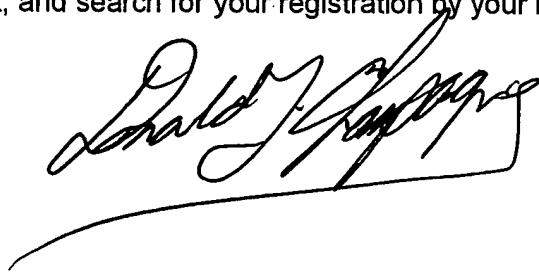
### Conclusion

11. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

12. A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

13. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Donald L Champagne whose telephone number is 703-308-3331. The examiner can normally be reached from 6:30 AM to 5 PM ET, Monday to Thursday. The examiner can also be contacted by e-mail at donald.champagne@uspto.gov, and *informal* fax communications (i.e., communications not to be made of record) may be sent directly to the examiner at 703-746-5536.

14. The examiner's supervisor, Eric Stamber, can be reached on 703-305-8469. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306. Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-306-5771.

15. **AFTER FINAL PRACTICE** – Consistent with MPEP § 706.07(f) and 713.09, prosecution generally ends with the final rejection. Examiner will grant an interview after final only when applicant presents compelling evidence that "disposal or clarification for appeal may be accomplished with only nominal further consideration" (MPEP § 713.09). The burden is on applicant to demonstrate this requirement, preferably in no more than 25 words. Amendments are entered after final only when the amendments will clearly simplify issues,

or put the case into condition for allowance, clearly and without additional search or more than nominal consideration.

16. Applicant may have after final arguments considered and amendments entered by filing an RCE.

17. **ABANDONMENT** – If examiner cannot by telephone verify applicant's intent to continue prosecution, the application is subject to abandonment six months after mailing of the last Office action. The agent, attorney or applicant point of contact is responsible for assuring that the Office has their telephone number. Agents and attorneys may verify their registration information including telephone number at the Office's web site, www.uspto.gov. At the top of the home page, click on Site Index. Then click on Agent & Attorney Roster in the alphabetic list, and search for your registration by your name or number.

Donald L. Champagne
Primary Examiner
Art Unit 3622

16 August 2004

# IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Wayne M. Kennard

Serial No. 09/721,869

Filing date: 11/24/2000

For: SYSTEM AND METHOD FOR
REDEMPTION OF AWARDS BY
AWARD PROGRAM
PARTICIPANTS

Examiner: D. Champagne

Group Art Unit: 3622

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Claims 1-10 are currently pending in the present application. Applicant has reviewed the Examiner's response and the bases for rejection of the claims of the application. In view of these bases for rejection, Applicant sets forth the following that traverses these rejections, thereby placing the present application in condition for allowance. Applicant's Remarks/Arguments begin on page 2 of this Reply.

1

## Remarks

### I.   Introduction

In the Office Action dated August 18, 2004, the Examiner rejected pending claims 1-10 for obviousness under 35 U.S.C. §103(a) in view of U.S. Patent Application Publication No. 2002/0065723 A1 to Anderson et al. ("the Anderson application"). Applicant does not that the Examiner has withdrawn the anticipation rejection under 35 U.S.C. §102(e). Applicant will demonstrate that the claims of the present application are not obvious in view of the Anderson application. Accordingly, pending clams 1-10 are allowable and Applicant respectfully requests that the anticipation and obviousness rejections based on the Anderson application be withdrawn and the present application be passed to issue.

### II.   Claims 1-10 are Allowable

The numbered section 3 of the Office Action, the Examiner rejected claims 1-10 for obviousness under 35 U.S.C. §103(a) in view of the Anderson application. Of these claims, claims 1 and 6 are independent claims. Claims 2-5 and 6-10 depend from claims 1 and 6, respectively. These dependent claims add further limitation to these independent claims.

In rejecting claims 1-10 under these bases, the Examiner stated at numbered section 4 the following:

> Anderson et al. teaches (independent claims 1 and 6) a computer-based method for maximizing redemption award units in an award program (para. [0026], comprising the steps of: (a) storing in the storage device (store 140) at least one predetermined award unit (para. [0019]: storing in the storage device a shortfall amount (*the number of points needed*, (bottom of para. [0027])); (c) each program participant being permitted to accumulate a number of award units earned by performing acts for which predetermined numbers of award units will be awarded, and (d) inputting (*updates the award account*) the number of award units earned in step (c) [0020], said storing being in *a plurality of online accounts* [0005], which reads on (e) storing separately; (f) redeeming an award program award [0026], including the substeps of: (1) retrieving a predetermined award unit level to receive a particular award (*retrieves conditions to receive awards*); (2) retrieving the accumulated award unit total (*point balances*); (3, 4 and 6 [there is no substep 5]) determining a number of award units that the accumulated award unit total is less than the predetermined award

2

level (*the number of points needed,* [0027]); (7 and 8) determining the received amount of *AwardPoints,* which reads on a monetary amount (a *generic, convertible* currency (para. [0037] and Merriam-Webster's Online Dictionary)), and redeeming the award by paying this monetary amount [0031]. Anderson et al. teaches the 'multiplication factor" (substep 7) as a *ratio* used to combine *several types of award points* and convert them to them to *AwardPoints* (para. [0031], [0053] and [0054].

The present invention differs substantially from the Anderson application because the Anderson application just recognizes a shortfall and does nothing with the shortfall. The present invention recognizes a shortfall and then provides a novel system and method for effecting a way for the user to use accumulated miles and the purchase of additional miles according to a novel method so that the user is able to redeem an award from the benefits award program without having the required miles.

At page 10, lines 22-26, the method of selectively determining a shortfall is stated:

At 227 [Figure 2], the method of the present invention will determine whether the accumulated award miles total falls within a predetermined percentage range of the required award mileage. This percentage may be selected by the airline or entity administering the mileage award program. For example, such an entity may select the percentage range to be from 95% to 100%-1 of the required award mileage. Alternatively, the method may not state this requirement as a percentage range but as the need for the accumulated award miles to be greater than, or equal to, 95% of the required number [of] award miles.

At page 11 at lines 1-13 of the specification, Applicant provides an example of the method of the present invention. There the present application states:[1]

At 231 [Figure 2], it is determined if there is a single or multiple redemption, it is determined if this is a single or multiple award redemption, the method will proceed to 235. At 235, the method will save the unused accumulated award miles in the appropriate database. Following the saving of these award miles, the method will proceed to End 240. However, if the accumulated award miles is within the selected

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[1] Among other things, the system and method of Anderson application does not make a selection of a percentage upon which to apply the award program incentive as set forth for a disclosed embodiment of the present application. Moreover, the Anderson application does not then determine if the award mileage shortfall is within that percentage.

3

percentage range, or is equal to, or greater than, the selected percentage, the method will go to 230.

If the shortfall is within the selected percentage, the Anderson application does not apply a variety on methods for making up for the mileage shortfall. For example, the following method is performed according to an embodiment of the present application (page 11, lines 7-27)

At 230 [Figure 2], the method of the present invention will determine the number of award miles that constitute the mileage shortfall. This may be done, for example, by subtracting the accumulated award miles from the required award miles. This numbered of shortfall miles is multiplied by a multiplication factor at 232 [Figure 2]. This multiplication factor may be fixed for each of the shortfall miles. For example, if the award shortfall is 150 miles, the multiplication factor may be $0.50/mile, so the amount to purchase the shortfall miles would be $80.00.

The method may also use a weighting system to determine the amount that will have to be paid to compensate for the mileage shortfall. For example, if the percentage range or the amount in excess of a predetermined percentage equals 500 miles, the weighting system multiplication factors could be $0.50 for 449-500 shortfall miles; $0.47 for 401-450 shortfall miles; $0.44 for 349-400 shortfall miles; $0.41 for 350-399 shortfall miles; $0.38 for 300-349 shortfall miles; $0.35 for 250-299 shortfall miles; $0.32 for 200-249 shortfall miles; $0.29 for 150-199 shortfall miles; $0.26 for 100-149 shortfall miles, and $0.23 for 50-99 shortfall miles, and $0.20 for 1-49 shortfall miles.

The Anderson application does not render obvious the claims of the present application. For example, the Anderson application does not understand or appreciate the present application's method of using the shortfall miles to generate novel methods to redeem awards that the user would ordinarily not be entitled to. Accordingly, Applicant has overcome the Examiner's obvious rejection of claims 1 and 6, and requests that it be withdrawn.

The Examiner ha cited para. [0037] a disclosing the method steps (f)(7 )and (8) of claim 1 and elements (f)(7) and (8) of claim 6. Applicant submits that the Examiner misreads and misapplies what is provided in para. [0037] in rejecting claims 1 and 6 for obviousness.

The Anderson application at para. [0037] states the following:

4

[0037] Any AwardTrack affiliate can benefit from using AwardPoints of the present invention to its customers. AwardPoints are generic, convertible currency that can either be redeemed against a wide variety of merchandise, or converted into any of several participating airline programs....

The quotation immediately above makes plain that AwardPoints may be used with a variety of programs. The use of the term "genetic convertible currency" in the context of the para. [0037] is to indicate that within the various systems, an AwardPoints unit would have value for redemption of awards. This is not what Applicant is covering in the scope of claims 1 and 6. According to what is set forth at para. [0037] in converting the AwardPoints following the "genetic convertible currency" theory, each converted unit would have a single value in the new system. This does not render obvious claims 1 and 6 in which the purchase of shortfall miles may take on a variety of values. (See earlier quotations from pages 10 and 11 of the present application.

Further, para. [0037] fails to have any appreciation for redeeming an award based on having a shortfall, for example, of award miles and then purchasing the shortfall of miles according to the novel and non-obvious method according to the present invention. In his citation to the Anderson application, the Examiner has not in any way shown the novel and non-obvious combination of the claims of the present invention in order to redeem an award. Accordingly, Applicant has traversed the Examiner's bases for rejecting independent claims 1 and 6 for obviousness based on the Anderson application, thereby placing claims 1 and 6 in condition for allowance.
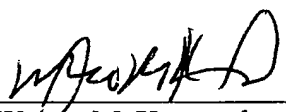
Claims 2-5 and 6-10 depend from claims 1 and 6, respectively. These dependent claims add further limitation to these independent claims. Applicant has traversed the Examiner's bases for rejecting claims 1 and 6 for obviousness based on Anderson. Since claims 2-5 and 7-10 are dependent claims, these claims overcome the obviousness rejection for the same reasons as claims 1 and 6, thereby placing these claims in condition for allowance.

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## Conclusion

The present application is new, non-obvious, and useful. The present application is in condition for allowance in light of Applicant traversing each of the Examiner's rejection for obviousness. Reconsideration and Allowance of the claims are requested.

Respectfully Submitted,

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6